

STATE OF IOWA
BEFORE THE IOWA UTILITIES BOARD

<p>IN RE:</p> <p>OFFICE OF CONSUMER ADVOCATE, Petitioner,</p> <p>v.</p> <p>INTERSTATE POWER AND LIGHT COMPANY, Respondent</p>	<p>DOCKET NO. FCU-2016-0011</p>
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DIRECT TESTIMONY OF
GREGG E. LAWRY

1 **Q. Please state your name and business address.**

2 A. My name is Gregg E. Lawry. My business address is 4902 North Biltmore
3 Lane, Madison, Wisconsin, 53718.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Alliant Energy Corporate Services, Inc. as Vice
6 President – Customer Service.

7 **Q. Please explain your educational background and your work**
8 **experience.**

9 A. I earned a Bachelor of Science Degree from the University of Wisconsin-
10 Madison, majoring in Mathematics and Computer Science. I have worked
11 for Alliant Energy or its predecessor company for more than 33 years. I
12 began my career as a computer programmer in the Information
13 Technology (I.T.) department and became Director of I.T. in 1998,

1 following the merger that formed Alliant Energy. Since the early 2000s I
2 have held various leadership positions within the company, including
3 Director – Substation and Electric Engineering, and Director – Energy
4 Delivery Asset Care and Project Management. I was named to my current
5 role in 2011.

6 **Q. What is the purpose of your testimony?**

7 A. I will give an overview of the reasons why Interstate Power and Light (IPL)
8 needed to replace its legacy Customer Information System (CIS) with the
9 Customer Care and Billing (CC&B) system, and the process and timeline
10 of CC&B implementation. I also will give a high-level overview of the
11 issues that arose this summer with an increase in estimated bills, including
12 the reasons IPL needs to estimate bills on occasion and the specific
13 causes of the increased number of estimated bills. Finally, I will describe
14 the work the company has done to resolve these issues, and the
15 commitment the company has made to enhancing the customer
16 experience including limiting the possibility of this situation recurring in the
17 future.

18 **Q. Are you sponsoring any exhibits in this filing?**

19 A. Yes. I am sponsoring IPL Exhibit Lawry Direct, which includes the
20 following schedule:

21 Schedule A: IPL Actions Summary.

22 **I. The Need for CC&B**

23 **Q. Why did IPL implement the CC&B system?**

24 A. Alliant Energy's legacy CIS entered into service more than 30 years ago,

1 and was in use in Iowa until early 2016 when it was replaced with CC&B
2 as part of our Modern Customer Information System (MCIS) project.
3 While CIS served its purpose over the years it had become increasingly
4 apparent that CIS was near the end of its useful life. It took substantial
5 effort to keep it running and the cost of doing so was appreciable.
6 Additionally, CIS did not provide the functionality that the company
7 increasingly believed was necessary to efficiently serve customers. In
8 developing the business case for replacing CIS, we identified several
9 objectives for a new system, including:

- 10 • Enhanced ability to respond to customers' changing
11 expectations;
- 12 • Mitigate technical obsolescence risk;
- 13 • Improved customer communications – creating an easier to
14 understand and more informative bill;
- 15 • Expansion of web self-service capabilities and customer
16 engagement capabilities such as alerts and notifications,
17 mobile information, and advanced payment options;
- 18 • Creation of a framework and platform for future technology
19 expansion to allow for new customer solutions;
- 20 • Reduction of reliance on manual processes and
21 spreadsheets; and
- 22 • An ability to implement new and novel rate structures to
23 support customers in the future.

24 With the obsolescence of CIS becoming increasingly apparent, in 2008
25 the company took the first step to formally explore investing in a new
26 customer billing platform.

27 **Q. What was the process and timeline that IPL went through to make its**
28 **decision to move to and implement the new CC&B system?**

1 A. Since we understood the complexity and the significant effort to effectively
2 replace CIS, we engaged Five Point Partners (FPP, now part of Ernst &
3 Young), a leading customer system consulting firm, starting 2010 to
4 develop our long-term CIS strategy and business case to replace the
5 existing CIS. At the conclusion of that effort in 2012, FPP helped us select
6 Oracle's CC&B and PricewaterhouseCoopers (PwC) was selected as the
7 system integrator for the MCIS project. The team PwC assigned to our
8 MCIS project had been involved in 13 successful CC&B implementations
9 during the previous decade. Oracle's CC&B, one of two leading products
10 in the marketplace, was chosen for its ease of use, both from a
11 functionality fit perspective and in interfacing CC&B with other Oracle
12 products already part of the company's I.T. portfolio. The project was
13 approved by the company's Board of Directors in November 2012.

14 PwC began work with the company when the project officially
15 started in May 2013, leading the development of the MCIS project with
16 their proven methodology and approach. PwC's experienced team
17 worked full-time onsite at our facilities for nearly three years, and they
18 continue to be an invaluable resource. Our internal resources from
19 Customer Service and I.T. worked directly with PwC to design, construct,
20 and test the new CC&B system. Additionally, FPP acted as a quality
21 assurance (QA) vendor to regularly evaluate the overall health of the
22 MCIS Project. These QA reviews were critical to the successful
23 implementation of the MCIS project, especially because the overall project
24 driver from the start was quality.

1 IPL provided periodic project briefings to the Iowa Utilities Board
2 Staff (Board Staff) and Office of Consumer Advocate (OCA). In the
3 months leading up to system cutover, extensive and targeted
4 communications were provided to our customers. The company's Board of
5 Directors was also involved at the critical decision points.

6 **Q. What was the timeline for rolling out CC&B at IPL?**

7 A. The original project schedule was anticipated to go-live for IPL in July
8 2015 but was delayed until the first quarter of 2016. With a focus on
9 quality we wanted to do more system testing and perform a full month of
10 parallel testing to ensure that the company, to the best of its ability, would
11 understand how the system would work in both IPL and Wisconsin Power
12 & Light (WPL). Lessons learned from the WPL cutover were applied and
13 helpful to the IPL cutover.

14 The new CC&B system went live for IPL on February 15, 2016. On
15 the advice of PwC and in accordance with typical industry practice
16 following a billing system transition, IPL suspended its collections activity
17 from go-live until May 16, 2016, to ensure that any confusion or billing
18 errors during early system implementation would not negatively impact
19 customers. In addition, the Board approved IPL's plan to waive late
20 payment charges for customers during the initial weeks following the IPL
21 go-live to prevent any harm to customers while familiarizing ourselves with
22 the new system and making any system tweaks.

23 **Q. Did IPL consider the rollout in Iowa a success?**

24 A. Absolutely. The project delivered the objectives described above and

1 provided immediate benefits to customers, not the least of which was a
2 new, easier to understand bill format (designed with feedback from
3 customers) and enhanced capabilities for online service such as email
4 communications and text alerts and notifications. In addition, PwC
5 provided feedback that the Iowa cutover was one of the smoothest their
6 team had ever experienced.

7 **II. Estimated Bills**

8 **Q. Under what circumstances does IPL estimate bills?**

9 A. As described by IPL witness Dee A. Brown, there are situations in which
10 IPL is unable to obtain a meter read and therefore needs to generate an
11 estimate. Further, as described by IPL witness Shirley K. Stibb, there are
12 situations where a meter read is obtained, but cannot be confirmed as
13 accurate by the CC&B system, thus requiring manual review and
14 subsequently, in some cases, an estimated bill. The legacy system also
15 supported bill estimation, as needed; although, as described further in Ms.
16 Stibb's direct testimony, estimates are calculated differently in CC&B than
17 they were in the legacy system.

18 Estimating bills is a necessity in the industry, for both gas and electric
19 service, and the Iowa Administrative Code recognizes the potential need
20 for doing so. IPL's business practices are aimed at minimizing the
21 occurrence of estimated bills, but there are several reasons to do so,
22 including:

- 23 • Failure to obtain a read. This occurs most typically when a
24 meter reader cannot get access to a meter because of an
25 unrestrained animal, an obstruction, or other property-

specific issues. This also can occur because of inclement weather or because the utility is unable to read all the meters in a given month. These situations are described more fully in the testimony of Ms. Brown.

- Read cannot be confirmed as accurate. As described more fully in the direct testimony of Ms. Stibb, this occurs when the meter read falls outside of parameters established by the billing system (“Hi/Lo” threshold or parameter) and either staff is not able to validate the read within the billing window or it is determined that the read is in error.

- If a read is obtained on the last day of the four-day billing window, and a Hi/Lo¹ exception occurs, an estimate may result. This is described further in Ms. Brown’s testimony.

Q. Did IPL have more estimated bills than anticipated in the summer and early fall of this year?

A. Yes.

Q. Why was that?

A. A combination of factors resulted in an increase in estimated bills this summer and early fall.

- It was a warmer summer than in 2015, and as a result CC&B pushed more bills for manual review, pursuant to the Hi/Lo screening. This is described more fully in the testimony of IPL witness Wendi Cigrand.

- Customer Support Center (CSC) representatives were working a larger-than-anticipated phone call load because IPL, post-CC&B rollout, had reinitiated collections activity, including sending reminder letters to past-due customers and reinstituting disconnect for non-payment. That resulted in an increased number of phone calls from customers, pulling those CSC staff from the manual bill review to responding to customer service calls. This is described more fully in the testimony of Ms. Cigrand.

- A CC&B “patch” inadvertently resulted in bills being issued as estimates when they should have been issued

¹ A Hi/Lo exception is further described in the testimony of Ms. Stibb.

1 using the actual read. This is described more fully in the
2 testimony of Ms. Stibb.

- 3 • Finally, in a few areas within our service territory we had
4 fewer meter readers available to read meters due to
5 injuries and unplanned absences, resulting in more
6 customers not getting their meters read. This is
7 described more fully in the testimony of Ms. Brown.

8 Any one of these issues could have led to an uptick in estimated
9 bills. Together, however, they resulted in substantially more estimated
10 bills than could have been anticipated.

11 **Q. Did the increase in estimated bills lead to an increase in customer**
12 **complaints to the Board?**

13 A. Regrettably, yes. In the 30-day period ending November 2, 2016, IPL
14 received 357 complaints from Board Staff for review, substantially more
15 than is typically received in a full year. While the issues outlined by each
16 of the customers in those complaints are concerning and are carefully
17 reviewed on an individual basis by IPL, it is important to note that almost
18 one-half of those complaints are unrelated to estimated bills but stress
19 high usage as the issue. In every instance, the customer is billed only for
20 energy that they consumed.

21 **Q. While acknowledging IPL's good-faith efforts to alleviate hardships**
22 **for customers, OCA witness Mr. Brian S. Turner, at page 12 of his**
23 **direct testimony alleged that IPL is estimating bills in order to save**
24 **on labor costs and thus increase the company's margin. Do you**
25 **have a response to that?**

26 A. Yes. As Ms. Brown and Ms. Cigrand explained in their testimonies, IPL

1 makes a continuous effort to appropriately balance staffing, as both
2 overstaffing and understaffing can result in unnecessary issues and costs
3 to customers. I disagree with Mr. Turner's conclusion; quite simply, what
4 he alleges is not how we operate as a company.

5 **Q. What has the company done to address the situation of customers**
6 **with estimated bills?**

7 A. With the Board's approval, IPL has waived late fees and ceased
8 disconnections for nonpayment through 2016. In addition, as described in
9 by Ms. Cigrand, we are contacting customers who have received true-up
10 bills of over \$50 to (1) offer payment arrangements and (2) provide a
11 direct contact on IPL's CSC staff; we are also reaching out to customers
12 whose meters are repeatedly inaccessible to make them aware of the
13 issue and explain ways to improve and arrange access. Further, we have
14 allowed payment plans of at least one year, as described in Ms. Cigrand's
15 testimony, and updated our bill to enhance the visibility and indication that
16 the bill is estimated, when it occurs, as described in Ms. Stibb's testimony.
17 Finally, we have worked through many, and continue to work through each
18 informal complaint received from Board Staff. These efforts reflect IPL's
19 obligation to resolve an undesirable situation and assist our customers.
20 We will continue to act with a sense of urgency in each individual instance
21 where a concern is raised on an estimated bill.

22 **Q. What steps has the company taken to ensure that this will not**
23 **happen again?**

24 A. Broadly, the company is focusing on people, processes, and systems in

1 an effort to ensure that this situation does not repeat itself. The company
2 shared information on actions we have taken, and our commitment to
3 additional changes, where necessary, at the technical conference held on
4 this matter on November 8, 2016. A summary of those actions follows,
5 and is summarized on IPL Lawry Direct Schedule A:

6 People: CSC staffing has been refocused on the meter validation
7 effort including the addition of temporary staff and new full-time hires.
8 PwC has been onsite since October and is providing valuable support. We
9 have also leveraged a third party call center to help handle some types of
10 incoming customer calls which allows more of our internal staff to work on
11 billing tasks. Ms. Cigrand's testimony provides further detail on these
12 adjustments. Additional meter reader hiring is also moving forward to help
13 cover resource availability issues discussed above and in more detail in
14 Ms. Brown's testimony. Collectively, these staffing actions will ensure
15 resource availability to read meters, answer the phones, and review bills
16 to reduce the number of estimated bills.

17 Processes: We are prioritizing any needed manual bill reviews to
18 ensure they receive attention as appropriate to limit the instances of bills
19 being estimated. Supervisory CSC staff members are now acting as
20 "expeditors" of the manual review process, helping to flag and resolve
21 volumes before they become a problem; the "expediter" position will be
22 permanently filled in the first quarter of 2017. As discussed in detail in Ms.
23 Cigrand's testimony, with PwC's help, we have improved the visibility of
24 monitoring daily throughput and completion rates of manual reviews, as

1 well as improved prioritization processes. The entire CSC organization
2 has greater visibility through a new daily “dashboard” to monitor the
3 reason for each estimated bill. Each of these actions has helped reduce
4 and will continue to minimize the numbers of estimated bills that resulted
5 from no manual review.

6 Systems: The system patch that led to the billing estimates was
7 fixed on November 2, 2016 (the same day it was discovered), resolving an
8 issue that led to almost one-half of the inadvertent bill estimates since May
9 of this year. Additionally, working closely with PwC, a team of technical
10 experts is exploring changes to the Hi/Lo selection criteria and unit-based
11 thresholds and plans to intercept certain estimated bills when a valid
12 meter read is available. These actions are expected to further reduce the
13 number of bills requiring manual review, which will reduce the number of
14 estimated bills. We are still working to quantify the impact of these
15 changes; system testing is expected to be completed by December 16,
16 2016, and IPL will be able to provide an update at the Board Hearing on
17 this matter scheduled for December 19, 2016. In parallel, with PwC’s help
18 we are exploring changes to the three-step bill estimation logic. The effort
19 is being scoped and IPL expects to pilot any changes to the estimation
20 logic in the first quarter of 2017. IPL witnesses Ms. Stibb, Ms. Cigrand,
21 and Ms. Brown provide additional detail on these changes.

22 **Q. Have the immediate and near-term actions worked to reduce the**
23 **number of estimated bills?**

24 **A.** Yes, the immediate actions with people and process required for the

1 manual reviews have reduced these types of estimated bills, and the
2 system changes to adjust the Hi/Lo thresholds we expect to implement
3 should further reduce the number of bills requiring manual review. We
4 have responded in a timely and considerate manner as customers raised
5 concerns and continue to work with them.

6 Since implementing the above people and process changes,
7 through the first three weeks of November, the total number of estimated
8 bills due to not being able to validate via manual review and the number of
9 bills estimated in which a read was available has decreased compared to
10 October 2016. IPL will provide further updates on its progress at the
11 December 19 hearing.

12 Like we did with the legacy CIS for many years, we will continually
13 review and assess our people, processes, and technology to make
14 improvements to benefit our customers and make the system perform
15 even better.

16 **Q. What is your position on the recommendations OCA witnesses Dr.**
17 **Keva Hibbert and Mr. Turner offer in their testimony on this matter?**

18 A. OCA witnesses have made two actionable recommendations for IPL—
19 offer longer payment agreements for impacted customers and have the
20 Board require IPL to make substantive changes to address resources, bill
21 estimation logic, and estimated billing system and procedures. Because
22 we have agreed to offer longer payment arrangements and have already
23 addressed changes affecting our people, processes, and systems, we do
24 not think it is appropriate or necessary for the Board to order IPL to make

1 such changes. Ms. Cigrand and Ms. Stibb provide additional information
2 in response to the OCA's recommendations, and IPL Lawry Direct
3 Schedule A provides specific information about the various changes IPL
4 has undertaken and will continue to pursue.

5 **Q. Does this experience give you any concern about the continuing**
6 **value of CC&B and the decision to move to it from the legacy**
7 **system?**

8 A. No. Due to the complexity of a CIS replacement effort and the significant
9 change to systems and business processes any project like this should
10 expect to have some issues as the system stabilizes through the first year
11 after go-live. It is for that reason that PwC counseled us to run each of the
12 two utilities' CC&B systems for a full year without modifying parameters if
13 possible. However, we understand and share the Board's and OCA's
14 concerns about the number of estimated bills this summer, and are
15 modifying the system prior to that full-year trial period. This issue does not
16 diminish the value that CC&B has already brought to our customers. This
17 value will only get better as the system and our staff gain experience
18 leveraging the power of this more modern technology we have
19 implemented.

20 **Q. Have there been any lessons learned as a result of this issue?**

21 A. Yes. We regret that we let our customers down because of this situation
22 and are disappointed that we did not deliver the exceptional service that
23 we strive for and our customers deserve. We are committed to do better

1 and have demonstrated that commitment to correct this situation going
2 forward. Several things we have learned help us to improve:

- 3 • The CC&B data is rich and powerful, and we are working to
4 better understand and utilize this data to customers' benefit
5 and to help us proactively identify, address, and prevent
6 system issues.
- 7 • As we gain experience using CC&B, we will have a greater
8 understanding of the resource requirements to effectively
9 operate the system and support the business processes and
10 staff that serve our customers.
- 11 • Delivery of the promise of CC&B requires fully integrating
12 people, processes, and systems, and failure on any one
13 aspect can significantly impact our ability to do so.
- 14 • Every challenging situation is an opportunity to learn. IPL is
15 examining our billing and customer service systems,
16 corporate communications plans, and contingency planning
17 process to ensure that any necessary improvements are
18 made.

19 **Q. Do you have any reason to believe that IPL has provided service that**
20 **is not reasonably adequate?**

21 A. No. We seek excellence in everything we do. Indeed, delivering
22 exceptional service is part of Alliant Energy's Mission Statement. But
23 mistakes do happen. These are sophisticated systems run by real people.
24 We are certainly not denying the customer challenges presented by the
25 unanticipated number of estimated bills that occurred this year. In fact, we
26 issued a public apology to acknowledge the surprise that some customers
27 experienced.

28 IPL has worked to resolve the issues that led to these estimates,
29 and is working with each individual customer to develop a payment plan
30 that works for them, if they choose. As I stated above, our mission is to

1 deliver the exceptional service our customers deserve, and, while we
2 acknowledge the impact that unanticipated resource shortages and a new
3 billing system have had on some of our customers, we have responded
4 appropriately and with a sense of urgency to prevent a reoccurrence.

5 **Q. Does this conclude your direct testimony?**

6 A. Yes.

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AFFIDAVIT OF
GREGG E. LAWRY

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, Gregg E. Lawry being first duly sworn on oath, depose and state that I am the same Gregg E. Lawry identified in the Direct Testimony; that I have caused the Direct Testimony, including any exhibits, to be prepared and am familiar with the contents thereof; and that the Direct Testimony, including any exhibits, is true and correct to the best of my knowledge and belief as of the date of this Affidavit.

/s/ Gregg E. Lawry
Gregg E. Lawry

Subscribed and sworn to before me,
a Notary Public in and for said County
and State, this 23rd day of November, 2016.

/s/ Annette Behnke
Annette Behnke
Notary Public
My commission expires on May 1, 2019

SUMMARY OF ACTIONS IPL IS TAKING TO ADDRESS BILL-ESTIMATION CONCERNS

	Action	Status* / Timeline	Direct Testimony Reference
People	Add temporary staff to support To Dos	✓ Completed in stages in early Q4	Cigrand, page 12
	Hire Customer Support Center staff in Cedar Rapids and Centerville	✓ Complete in Centerville; new staff begin Dec. 5, 2016; Cedar Rapids hiring in process	Cigrand, pages 12
	Focus staff to coordinate timely completion of Hi/Lo check To Dos and hire Customer System Workflow Administrator	✓ Complete; role will be permanently filled in Q1 2017	Cigrand, pages 12-13
	Leverage PwC expertise to improve To Do completion throughput and workflow	✓ Complete; PwC resources arrived on-site as of Oct. 10, 2016	Cigrand, page 12
	Shift online self-service calls to be handled by third-party call vendor	✓ Complete as of Oct. 26, 2016	Cigrand, page 12
Processes	Hire additional meter readers	In process	Brown, pages 8-9
	Continuously improve daily monitoring and prioritization of To Dos to increase throughput and completion rates	Ongoing	Cigrand, page 12
	Develop "dashboard" to monitor estimated bills by reason code	✓ Complete as of Nov. 21, 2016	Stibb, page 13
Systems	Calibrate calendar-day-based meter-reading windows and the bill-cycle schedule, especially around holidays	✓ Complete for Thanksgiving holiday period; further review to come.	Stibb, page 13
	Correct system patch issue that was resulting in inadvertent estimated bills	✓ Completed as of Nov. 2, 2016 (same day it was identified)	Stibb, page 11
	Implement additional on-bill messaging to highlight when a customers' usage has been estimated	✓ Completed as of Nov. 7, 2016	Stibb, page 15
	Enhance view of To Dos in CC&B to include an "estimate counter" to highlight multi-month estimates	In process ⁺	Stibb, pages 13-14
	Change Hi/Lo selection criteria and unit-based thresholds	In process ⁺	Stibb, page 13
	Hold for manual review any bills estimated due to meter reading being obtained on last day of the billing window	In process ⁺	Stibb, page 13; Cigrand, page 13
	Intercept any bills estimated when a meter read is available in the system	In process ⁺	Stibb, page 13; Cigrand, page 13
	Test potential changes to three-step bill-estimation logic	Being scoped; changes to be piloted in Q1 '17	Stibb, pages 8-9

+ System testing is expected to be complete by Dec. 16, 2016; updates and implementation to be conducted based on results of system testing

* Status is as of November 23, 2016